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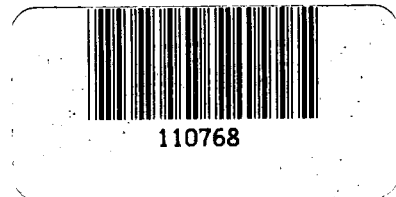
BY THE COMPTROLLER GENERAL

# Report To The Congress

OF THE UNITED STATES

## Examination Of Financial Statements Of The Government Printing Office For Fiscal Year 1978

The financial statements of the Government Printing Office present fairly its financial position at September 30, 1978, and the results of its operations and changes in its financial position for the fiscal year then ended.



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NOVEMBER 2, 1979



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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*AGC 178*

To the President of the Senate and the  
Speaker of the House of Representatives

This report summarizes the results of our examination  
of the financial statements of the Government Printing  
Office for fiscal year 1978.

We made our examination pursuant to the act of  
October 22, 1968, as amended (44 U.S.C. 309(c)).

We are sending copies of this report to the Director,  
Office of Management and Budget; the Chairman, Joint Com-  
mittee on Printing; and the Public Printer.

*James B. Heath*  
Comptroller General  
of the United States

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

EXAMINATION OF FINANCIAL  
STATEMENTS OF THE  
GOVERNMENT PRINTING OFFICE  
FOR FISCAL YEAR 1978

D I G E S T

The Government Printing Office (GPO) provides printing and binding services for the Congress, executive departments, and independent agencies of the Federal Government. GPO also sells many publications to the public. GPO activities are paid for by a revolving fund financed from four sources:

- Appropriations for printing and binding services performed for the Congress.
- Reimbursements for printing services from Federal departments and agencies.
- Sales of Government publications to the public.
- Appropriations for specific programs.

In fiscal year 1978, 61.5 percent of the printing and binding revenue resulted from work performed under contract by commercial firms. GPO reported a profit in fiscal year 1978 on printing and binding services of about \$11 million.

Starting in fiscal year 1978, the costs of selling Government publications to the public are required to be financed from sales receipts. Periodically, the profits (excess revenues over costs) from sales are transferred from GPO to the Department of the Treasury. In fiscal year 1978, GPO transferred \$12.9 million to the Treasury.

In GAO's opinion, the financial statements (see schs. 1 to 5) present fairly the financial position of GPO at September 30, 1978, the results of its operations, and the

*add "revolving fund accounts" to terms*

changes in its financial position for the year then ended in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States applied on a basis consistent with that of the preceding years.

The fiscal year 1977 audit of financial statements was performed by the GPO Office of Audits. GAO reviewed the work performed by that office and generally concurs that the audit was conducted satisfactorily. No exceptions were taken to the fiscal year 1977 financial statements by the GPO Office of Audits.

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#### ABBREVIATIONS

GAO	General Accounting Office
GPO	Government Printing Office

## CHAPTER 1

### INTRODUCTION

The Government Printing Office (GPO) is responsible for furnishing printing and binding services ordered by the Congress, executive departments, and independent agencies of the Federal Government. In addition, GPO offers many publications for sale to the public.

The Public Printer, appointed by the President with the advice and consent of the Senate, is responsible for managing GPO. The Joint Committee on Printing, consisting of the Chairman and two members of the Senate Committee on Rules and Administration and the Chairman and two members of the House Committee on Administration, acts as GPO's board of directors.

The Superintendent of Documents, appointed by the Public Printer, directs the Public Documents Area (previously Public Documents Department), which sells Government publications to the general public. These sales are accomplished through orders mailed to GPO; through a distribution center in Pueblo, Colorado; and through 26 bookstores throughout the United States. The Public Documents Area prepares official catalogs and indexes and mails certain publications for the Congress and Federal departments and agencies.

## CHAPTER 2

### OPERATIONS

GPO activities are financed by a revolving fund which receives funds from four major sources: appropriations for printing and binding services performed for the Congress, reimbursements for printing services from departments and agencies of the Federal Government, sales of Government publications to the public, and special appropriations for certain GPO programs.

#### PRINTING AND BINDING SERVICES

GPO provides in-house printing and binding services, as well as commercial printing contracts. In fiscal year 1978, 61.5 percent of the printing and binding revenue resulted from services performed by commercial firms. GPO reported a profit in fiscal year 1978 on printing and binding services of about \$11 million. (See sch. 2.)

#### General Sales Program (public sales)

The General Sales Program is no longer included in the Superintendent of Documents' Salaries and Expenses Appropriation since the enactment of Public Law 95-94. The costs associated with the General Sales Program are required to be financed, beginning in fiscal year 1978, by the receipts from the sale of publications.

Sales revenue is derived from sales of publications priced at cost as determined by the Public Printer, plus 50 percent, pursuant to the United States Code (44 U.S.C. 1708). Periodically, the excess of sales program revenue over expenses is transferred from GPO to miscellaneous receipts, in part, during the program year in which they originated and, in part, during the following program year. During fiscal year 1978, funds in the amount of \$12.9 million were transferred to miscellaneous receipts. (See sch. 5.)

#### APPROPRIATIONS

The Congress appropriates funds to GPO for nonrevenue-producing activities of the Superintendent of Documents, congressional printing and binding, and certain improvements to GPO facilities.



Appropriation for nonrevenue-  
producing activities of the  
Superintendent of Documents

The Congress annually appropriates funds to enable the Superintendent of Documents to distribute Government publications for Members of Congress and other Government agencies, finance the depository library program, and catalog and index documents printed under GPO auspices. GPO spent \$26.7 million for these activities in fiscal year 1978, compared with \$22.5 million in fiscal year 1977.

Appropriation for congressional  
printing and binding

The Congress annually appropriates funds to GPO for congressional printing and binding services. The appropriation also provides funds for printing and binding services for the Architect of the Capitol; for printing, binding, and distributing the Federal Register and the Code of Federal Regulations; and for printing and binding Government publications authorized by law to be distributed without charge. Appropriated funds are transferred to the revolving fund to reimburse it for the cost of these services. The appropriation was \$84.6 million for fiscal year 1978 and \$93.6 million for fiscal year 1977.

As shown in schedule 4, open commitments at September 30, 1978, exceeded the unexpended balance of appropriations by \$1.1 million. This amount is an estimate of the cost to complete unfinished printing and binding work authorized in fiscal year 1978 and prior years and will be paid from appropriations for subsequent fiscal years. This funding practice is consistent with that of prior years. Since fiscal year 1958, the appropriation acts for GPO have included provisions permitting each year's appropriation to be used for paying obligations incurred in preceding fiscal years.

Appropriation for site acquisition

In fiscal year 1974, the Congress appropriated \$4.6 million for the acquisition of a new site for GPO. There are no outstanding obligations against this appropriation.

## CHAPTER 3

### INTERNAL AUDIT

The Office of Audits is responsible for conducting comprehensive audits of GPO operations, functions, and/or organizational units in Washington, D.C., and at field locations; for performing such external audits, including contract audits, as are deemed necessary; and for reporting findings and recommendations to the Public Printer. The Office of Audits maintains liaison with the General Accounting Office and other outside audit activities. The Office of Audits consists of a director, six auditors, one contract specialist, one printing specialist, one computer specialist, and two secretaries.

During fiscal year 1978, the Office of Audits conducted reviews of the management and operating practices pertaining to central office, regional printing procurement, and field printing offices, GPO's payroll system, documents area, billings submitted by selected commercial contractors, and financial accounts and related activities. As a result of these reviews, 44 audit reports were issued making recommendations to GPO management to enhance the economy, efficiency, and effectiveness of GPO operations. Implementation of these recommendations should result in substantial savings.

A comprehensive review of GPO's payroll system was made by using computer assisted auditing techniques. The Office of Audits also made a complete review of GPO's financial statements and provided followup on prior GAO audit recommendations.

During fiscal year 1979, the Office of Audits will expand its use of computer assisted auditing techniques to increase its audit coverage and will supply added effort to evaluate internal controls to detect and prevent fraud and contractor abuse. Emphasis will be given to production areas where conversion is taking place resulting from changes in technology.

## CHAPTER 4

### SCOPE OF EXAMINATION AND OPINION

#### ON FINANCIAL STATEMENTS

##### SCOPE OF EXAMINATION

We examined GPO's statements of assets and liabilities and investments for the 12-month period ended September 30, 1978, and the related statements of revenue and expenses, changes in financial position, status of appropriations and other fund balances, and status of amounts due the U.S. Treasury from the sale of publications for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary.

In addition, we prepared the footnotes to the financial statements to provide full disclosure of the accounting used by GPO.

The fiscal year 1977 audit of financial statements was performed by the GPO Office of Audits. We reviewed the work performed by that office and generally concur that the audit was conducted in a satisfactory manner. No exceptions were taken to the fiscal year 1977 financial statements by the GPO Office of Audits. The 1977 figures shown in the schedules are for comparison purposes only.

During fiscal year 1978 the Office of Audits also reviewed several financial accounts. We reviewed the internal auditors' work and, to the extent possible, relied on it.

##### OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements (see schs. 1 to 5) present fairly the financial position of GPO at September 30, 1978, and changes in its financial position for the year then ended in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States applied on a basis consistent with that of preceding years.

## **FINANCIAL STATEMENTS**

## U.S. GOVERNMENT PRINTING OFFICE

## STATEMENT OF ASSETS, LIABILITIES, AND INVESTMENTS

AS OF SEPTEMBER 30, 1978 AND 1977 (Note 1)

ASSETS	1978			1977
	Revolving fund	Other funds	Combined funds	Combined funds
----- (000 omitted) -----				
FUND BALANCES WITH U.S. TREASURY & CASH:				
Fund balances in U.S. Treasury	\$ 19,393	\$51,321	\$ 70,714	\$ 92,942
Cash on hand and in transit (note 13)	<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>1,963</u>
Total	<u>20,978</u>	<u>51,321</u>	<u>72,299</u>	<u>94,905</u>
ACCOUNTS RECEIVABLE AND ADVANCES:				
Accounts receivable:				
Government agencies (note 2)	144,399	555	144,954	156,128
Other	<u>342</u>	<u>-</u>	<u>342</u>	<u>486</u>
Advances to employees	<u>33</u>	<u>-</u>	<u>33</u>	<u>29</u>
Total	<u>144,744</u>	<u>555</u>	<u>145,329</u>	<u>156,643</u>
INVENTORIES: (note 3)				
Publications for sale, net	23,435	-	23,435	21,329
Printing work in process, at standard value	<u>26,777</u>	<u>-</u>	<u>26,777</u>	<u>26,797</u>
Paper, envelopes, and other supplies at cost	<u>13,760</u>	<u>-</u>	<u>13,760</u>	<u>15,217</u>
Total	<u>63,972</u>	<u>-</u>	<u>63,972</u>	<u>63,343</u>
PROPERTY, PLANT, AND EQUIPMENT: (note 4)				
Land and buildings, at cost	-	9,085	9,085	9,085
Equipment and building appurtenances	63,330	3,462	66,792	60,870
Construction work in progress (note 12)	<u>1,387</u>	<u>-</u>	<u>1,387</u>	<u>2,459</u>
Less allowance for depreciation	<u>31,004</u>	<u>8,523</u>	<u>39,527</u>	<u>37,716</u>
Total	<u>33,713</u>	<u>4,024</u>	<u>37,737</u>	<u>34,698</u>
Total assets	<u>\$263,437</u>	<u>\$55,900</u>	<u>\$319,337</u>	<u>\$349,589</u>
LIABILITIES AND INVESTMENTS				
LIABILITIES:				
Accounts payable (note 11)	\$ 50,062	\$ 3,212	\$ 53,274	\$ 60,134
Accrued salaries and wages (note 5)	<u>3,227</u>	<u>-</u>	<u>3,227</u>	<u>3,317</u>
Amounts withheld from employees for purchase of savings bonds and payment of taxes	<u>865</u>	<u>-</u>	<u>865</u>	<u>8,899</u>
Employees accrued annual leave	<u>5,544</u>	<u>598</u>	<u>6,142</u>	<u>6,009</u>
Customers deposits, prepaid subscrip- tions and unearned revenue (note 6)	<u>19,530</u>	<u>-</u>	<u>19,530</u>	<u>25,098</u>
Total	<u>79,228</u>	<u>3,810</u>	<u>82,038</u>	<u>103,457</u>
INVESTMENT OF U.S. GOVERNMENT:				
Capital	104,716	-	104,716	104,715
Retained earnings reserved	<u>14,589</u>	<u>-</u>	<u>14,589</u>	<u>16,761</u>
Retained earnings unreserved	<u>55,130</u>	<u>-</u>	<u>55,130</u>	<u>41,767</u>
Appropriations and other fund balances	<u>-</u>	<u>52,090</u>	<u>52,090</u>	<u>60,026</u>
Income from sales of publications payable to U.S. Treasury	<u>9,774</u>	<u>-</u>	<u>9,774</u>	<u>22,863</u>
Total	<u>184,209</u>	<u>52,090</u>	<u>236,299</u>	<u>246,132</u>
Total liabilities and investment of U.S. Government	<u>\$263,437</u>	<u>\$55,900</u>	<u>\$319,337</u>	<u>\$349,589</u>

GAO's opinion on these financial statements appears on page 5. The notes on page 12 are an integral part of this statement.

U.S. GOVERNMENT PRINTING OFFICEREVOLVING FUND,CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES,FISCAL YEARS ENDED SEPTEMBER 30, 1978 AND 1977 (Note 1)

	<u>1978</u>	<u>1977</u>
	---- (000 omitted)----	
REVENUE:		
Printing and binding services performed for Government agencies and Congress (note 7)	\$489,625	\$432,855
Document sales to the public	44,446	42,949
Services associated with Document sales:		
Reimbursements by appropriations to the Superintendent of Documents	3,615	24,217
Services associated with depository libraries, cataloging and indexing, and distribution for other agencies:		
Reimbursements by appropriations to the Superintendent of Documents	24,317	20,580
Blank paper sales:	16,332	15,474
Receipts from other Government agencies	<u>3,209</u>	<u>3,062</u>
Other		
Total revenue	<u>\$590,544</u>	<u>\$539,137</u>
DIRECT COSTS:		
Labor	\$108,081	\$100,681
Material	40,997	32,315
Purchases of printing	302,965	259,452
Cost of publications sold	12,010	11,245
Cost of publications destroyed	<u>1,973</u>	<u>2,712</u>
Total direct costs	<u>\$466,026</u>	<u>\$406,405</u>
GENERAL AND ADMINISTRATIVE EXPENSES	113,156	105,739
Total expenses	<u>\$579,182</u>	<u>\$512,144</u>
NET INCOME TO THE REVOLVING FUND	11,362	26,993
Less amount payable to the U.S. Treasury	<u>171</u>	<u>22,863</u>
NET INCOME RETAINED BY THE REVOLVING FUND	<u>\$ 11,191</u>	<u>\$ 4,130</u>
CHANGE IN EARNINGS RETAINED BY THE REVOLVING FUND:		
Balance - October 1, 1977	\$ 58,528	
Add net income retained by revolving fund	<u>11,191</u>	
Balance - September 30, 1978	<u>\$ 69,719</u>	

GAO's opinion on these financial statements appears on page 5. The notes on page 12 are an integral part of this statement.

U.S. GOVERNMENT PRINTING OFFICEREVOLVING AND OTHER FUNDS,STATEMENT OF CHANGES IN FINANCIAL POSITION,FISCAL YEARS ENDED SEPTEMBER 30, 1978 AND 1977 (Note 1)

	<u>1978</u>	<u>1977</u>
	----- (000 omitted) -----	
<b>FUNDS PROVIDED:</b>		
Printing and binding services performed	\$498,625	\$432,855
Document sales to the public	44,446	42,949
Sales of paper	16,332	15,474
Appropriations:		
For congressional printing and binding	\$ 84,627	
For Superintendent of Documents	<u>22,045</u>	
Total appropriations	<u>106,672</u>	<u>141,727</u>
Other revenue	3,209	3,062
Miscellaneous:	56	
Disposal of fixed assets	<u>4,440</u>	
Reimbursements to S&E appropriation		
Total miscellaneous funds	<u>4,496</u>	<u>1,840</u>
Total funds provided	<u>\$673,780</u>	<u>\$637,907</u>
<b>FUNDS APPLIED:</b>		
Operating expenses, less depreciation and net change in accrued annual leave	\$575,925	\$509,783
Payments for congressional printing and binding	91,856	91,481
Purchases of equipment	5,478	10,834
Funds returned to Treasury	12,863	9,777
Prior period adjustment	<u>397</u>	<u>-</u>
Total funds applied	<u>\$686,519</u>	<u>\$621,875</u>
DECREASE IN WORKING CAPITAL	<u>\$ 12,739</u>	
INCREASE IN WORKING CAPITAL		<u>\$ 16,032</u>
<b>ANALYSIS OF WORKING CAPITAL</b>	<u>9/30/79</u>	<u>9/30/77</u>
		Increase/ (decrease)
FUND BALANCES WITH U.S. TREASURY	\$ 72,299	\$ 94,905
ACCOUNTS RECEIVABLE AND ADVANCES	145,329	156,643
INVENTORIES	<u>63,972</u>	<u>63,343</u>
Total	<u>281,600</u>	<u>314,891</u>
LESS LIABILITIES EXCLUDING EMPLOYEES' ACCRUED ANNUAL LEAVE	<u>76,896</u>	<u>97,448</u>
Total working capital	<u>\$204,704</u>	<u>\$217,443</u>

GAO's opinion on these financial statements appears on page 5. The notes on page 12 are an integral part of this statement.

## SCHEDULE 4

## SCHEDULE 4

U.S. GOVERNMENT PRINTING OFFICE  
STATUS OF APPROPRIATIONS AND OTHER FUND BALANCES  
AS OF SEPTEMBER 30, 1978 AND 1977 (NOTE 1)

	Appropriation			1978	1977
	Printing and binding for Congress	Superin- tendent of Documents	Other (note 8)	total	total
BALANCES - BEGINNING OF YEAR	\$ 40,390	\$12,350	\$7,285	\$ 60,025	\$ 52,662
SOURCE OF FUNDS:					
Appropriations	84,627	22,045	-	106,672	141,727
Reimbursements	-	4,440	-	4,440	704
Increase in investment of fixed assets	-	-	1,062	1,062	373
Restoration of funds	-	-	-	-	1,114
Total	<u>\$125,017</u>	<u>\$38,835</u>	<u>\$8,347</u>	<u>\$172,199</u>	<u>\$196,580</u>
USE OF FUNDS:					
Amounts paid to the revolving fund in payment for:					
Congressional printing and binding	\$ 91,856	\$ -	\$ -	\$ 91,856	\$ 91,481
General sales distribution	-	1,273	-	1,273	22,338
Special sales distribution	-	2,342	-	2,342	1,879
Distribution for other agencies	-	8,302	-	8,302	4,254
Depository library dis- tribution	-	14,397	-	14,397	12,064
Cataloging and indexing	-	1,618	-	1,618	4,262
Depreciation on buildings, furniture, and fixtures	-	-	290	290	244
Increase in liability for employees' annual leave, Superintendent of Documents	-	-	31	31	32
Unobligated funds returned to U.S. Treasury	-	-	-	-	-
Total deductions (note 9)	<u>\$ 91,856</u>	<u>\$27,932</u>	<u>\$ 321</u>	<u>\$120,109</u>	<u>\$136,544</u>
BALANCES - SEPTEMBER 30, 1978	<u>\$ 33,161</u>	<u>\$10,903</u>	<u>\$8,026</u>	<u>\$ 52,090</u>	<u>\$ 60,026</u>
LESS FUNDS TO BE RETURNED TO U.S. TREASURY	<u>4,239</u>	<u>2,091</u>			
	28,922	8,812			
OBLIGATIONS	<u>30,068</u>	<u>8,812</u>			
UNFUNDED OBLIGATIONS (note 10)	<u>\$ 1,146</u>	<u>\$ -</u>			

GAO's opinion on these financial statements appears on page 5. The notes on page 12 are an integral part of this statement.



U.S. GOVERNMENT PRINTING OFFICEREVOLVING FUNDAMOUNTS DUE U.S. TREASURY FROM SALE OF PUBLICATIONS,FISCAL YEARS ENDED SEPTEMBER 30, 1978 AND 1977 (NOTE 1)

	<u>1978</u>	<u>1977</u>
	--(000 omitted)--	
REVENUE:		
Document sales to the public	\$44,446	\$42,949
Reimbursements by appropriations to the Superintendent of Documents	3,615	24,217
Other revenue	<u>660</u>	<u>313</u>
Total revenue	<u>48,721</u>	<u>67,479</u>
EXPENSES:		
Cost of publications sold	12,010	11,245
Cost of publications destroyed	1,973	2,712
OTHER EXPENSES:		
General and administrative expenses	21,717	-
Salaries and expenses	3,615	24,217
Postage expense	<u>9,235</u>	<u>6,442</u>
Total expenses	<u>48,550</u>	<u>44,616</u>
AMOUNT PAYABLE TO THE U.S. TREASURY	<u>\$ 171</u>	<u>\$22,863</u>
Status of payments due to U.S. Treasury:		
Balance payable - beginning of year	\$22,863	\$ 9,777
Add: Amount payable to U.S. Treasury	171	22,863
Less: Payments to U.S. Treasury	12,863	9,777
Prior period adjustment	<u>397</u>	<u>-</u>
Balance payable - September 30, 1978	<u>\$ 9,774</u>	<u>\$22,863</u>

GAO's opinion on these financial statements appears on page 5. The notes on page 12 are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial statements

The financial statements of GPO include the combined accounts of the printing and binding operation and the selling of documents to the public. Intraoffice revenues, costs, and profit on documents the Superintendent of Documents has purchased for sale to the public are not eliminated.

#### Accrual accounting

Assets, liabilities, revenues, and expenses are recognized on the accrual basis of accounting. Revenue generated by the printing and binding operation is recognized when entered into work in process. Revenue generated by the sales of publications operations is recognized when nonsubscription publications have been shipped or when services have been performed.

#### Inventories

Publications for sale inventory is computed by using a statistical sampling method to arrive at total costs. Printing work in process is recorded at standard value. Paper inventory is recorded using a cost method based on a moving average adjusted quarterly to reflect current prices. The materials and supplies inventory is computed on a moving average basis.

#### Fixed assets

Land, buildings, and equipment are stated at cost. Major improvements and betterments to existing plant and equipment are capitalized. Expenditures for maintenance and repairs, which do not extend the life of the applicable assets, are charged to expense as incurred.

Depreciation of the plant equipment and machinery is provided on a basis estimated by GPO to be sufficient to write off the cost of the assets over their useful lives, using the straight-line method.

When properties are retired or otherwise disposed of, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting profit or loss is charged or credited to earnings. Reserved retained earnings represent funds for future acquisitions of machinery and equipment.

## Other funds

Appropriations and other fund balances on the balance sheet include account balances of the Congressional Printing and Binding Appropriation, Office of the Superintendent of Documents Salaries and Expenses Appropriation, Site Acquisition Appropriation, and the value of building structures and land which is specifically excluded from the Government Printing Office Revolving Fund by law (44 U.S.C. 309 (b)(1)).

### 2. ACCOUNTS RECEIVABLE

The \$144.4 million includes \$97 million which has been reclassified from work in process and finished work. This amount represents sales as of September 1978. Accounts Receivable Government is net of a \$351,959 allowance for doubtful accounts.

### 3. INVENTORIES

Publications for sale inventory is net of a \$1,233,442 allowance for unsalable publications and is computed using the retail inventory pricing method. Printing work in process represents in-plant work at standard value. Paper envelopes and other supplies are composed of \$8,043,208 for paper and envelopes using a cost method based on a moving average adjusted quarterly to reflect current prices, and \$5,716,569 for materials and supplies computed on a moving average basis.

### 4. PROPERTY, PLANT, AND EQUIPMENT

The status of assets by class is as follows:

	<u>Acquisition value</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
CLASS I			
Plant machinery and equipment	\$39,022,047	\$21,832,471	\$17,189,576
CLASS II			
Building appurtenances	23,211,355	8,655,165	14,556,190
CLASS III			
Office machinery and equipment	441,415	209,918	231,497
CLASS IV			
Furniture and fixtures	193,277	100,767	92,510
CLASS V			
Motor vehicles	<u>461,381</u>	<u>205,346</u>	<u>256,035</u>
Total	<u>\$63,329,475</u>	<u>\$31,003,667</u>	<u>\$32,325,809</u>

5. ACCRUED SALARIES AND WAGES

Accrued salaries and wages does not include a contingent liability of \$24,936,669 for the net value of sick leave earned and accumulated by GPO employees. GAO does not consider this a deficiency.

6. DEFERRED INCOME

Customers' deposits, prepaid subscriptions, and unearned revenue includes approximately \$10.7 million unearned income from subscriptions.

7. INTRAOFFICE SALES

Printing and binding services performed for Government agencies and the Congress includes intraoffice sales of \$16,588,246 and related profit for printing and binding work performed for the Superintendent of Documents' Sales Program. The associated costs for these sales are included in overall costs as they cannot be specifically identified for financial statement presentation.

8. OTHER FUNDS

Other funds at September 30, 1978, include:

- \$4,600,000 for acquisition of a new site for GPO.
- \$1,552,153 book value of GPO buildings and land.
- \$2,472,067 book value of the Superintendent of Documents' furniture, machinery, and equipment.
- Less \$597,946 of accrued annual leave for the employees of the Superintendent of Documents.

9. PAYMENTS TO REVOLVING FUND FROM APPROPRIATIONS

Payments to the revolving fund from appropriations for fiscal years 1978 and 1977 were as follows:

	<u>1978</u>	<u>1977</u>
Payments from congressional printing and binding appropriations to revolving fund		
Congressional Record	\$ 1,952	\$13,206
Hearings	24,926	19,407
Miscellaneous printing and binding	7,021	10,596
Bills, resolutions, and amendments	10,205	8,950
Miscellaneous publications	7,724	7,859
Federal Register	1,795	14,245
Committee prints	7,558	6,013
House and Senate calendars	2,487	1,759
Documents	2,226	1,308
Supplements to the Code of Federal Regulations	2,588	2,918
Committee reports	5,290	3,174
Franked envelopes	813	756
Publications for International Exchange	1,164	690
Document franks	96	97
Automation of Federal Register	815	503
Details to the Congress	4,804	-
Government Manual	94	-
Weekly compilation of Presidential documents	439	-
Public papers of the President	287	-
Congressional Record Daily	8,959	-
Congressional Record Index	613	-
Total	<u>\$91,856</u>	<u>\$91,481</u>

Payments from Superintendent of Documents appropriations to the revolving fund

General sales distribution	1,273	22,338
Special sales distribution	2,342	1,879
Distribution for other agencies	8,302	4,254
Depository library distribution	14,397	12,064
Cataloging and indexing	1,618	4,262
Total	<u>\$27,932</u>	<u>\$44,797</u>

10. OBLIGATIONS

Obligations as of September 30, 1978, include \$1.1 million which will be paid from appropriations for subsequent fiscal years.

11. ACCOUNTS PAYABLE--OTHER FUNDS

The amounts shown represent intraoffice payables.

12. CONSTRUCTION WORK IN PROCESS

This amount represents an accumulation of engineering charges for material, labor, and overhead that will be capitalized and amortized upon completion.

13. CASH ONHAND AND IN TRANSIT

The amount of cash onhand and in transit as of September 30, 1978, was determined by a proration of the total cash onhand and in transit between September 28, 1978, through October 3, 1978, counted as of October 3, 1978, and deposited in the Treasury on October 4, 1978.



United States  
Government  
Printing Office

Washington, D.C. 20401

OFFICE OF THE PUBLIC PRINTER

September 7, 1979

Mr. Richard W. Gutmann  
Director, Logistics and Communications  
Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Gutmann:

Thank you for giving us the opportunity to review the draft report to the Congress on the examination of financial statements of the Government Printing Office for Fiscal Year 1978. We fully concur in the conclusions of the report and its detailed contents.

Sincerely,

  
JOHN J. BOYLE  
Public Printer

(947347)